

BROWN RANCH AFFORDABILITY MEASURES (continued)—

May 24, 2023



Affordability Vision —

The Community's Top Priority

*“The Brown Ranch will provide affordable and attainable housing options for the Routt County Workforce in a timely and efficient manner that meets both the **urgent** and **long-term** need.”*

100% Local Housing
NO Short-Term Rentals
NO Second Homes

Affordable Housing Commitment

- Local Workforce (including retirees) requirements for all units.
- Restrictions on every unit to achieve and maintain affordability (Community Affordability Agreement)
- Designed to promote mobility among affordable supply as life changes.

Project Economics and Stewardship Focus Team Framework

- Simplicity
- Affordability
- Mobility
- Wealth Building
- Communication

What is Affordable? —

Federal Standard < 30% of gross household income

- Rent + fees + utilities
- Mortgage (PI) + taxes + insurance + HOA + utilities

Other factors that determine personal affordability

- Total income
- Household size
- Childcare
- Other debts (student loan, car loans, credit cards)
- Length of commute to work
- Life goals

Area Median Income (AMI) Explained —

- Released annually by HUD through Colorado Housing and Finance Authority (CHFA)
- Uses tax return data to determine Median Income (50% above/50% below) for Routt County
- Percentages of Area Median Income are universally used to restrict rental rates and deed restriction qualifications
- Affordable Monthly Housing Payment calculated using 30% of Gross Monthly Income (before taxes)

<u>2022 AMI</u>	<u>30%</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>	<u>120%</u>	<u>140%</u>	<u>200%</u>
Three Person Household Income	\$27,630	\$55,260	\$73,680	\$92,100	\$110,520	\$128,940	\$184,200
Single Person Household Income	\$21,510	\$43,020	\$57,360	\$71,700	\$86,040	\$100,380	\$143,400
Single Person Affordable Monthly Housing Payment	\$538	\$1,075	\$1,434	\$1,793	\$2,151	\$2,510	\$3,585
Occupation	Seasonal Lifty	Parks Tech	Bus Driver	Firefighter /EMT	Sworn Police Officer	Civil Engineer	IT Manager

Maintaining Affordability —

DRAFT Community Affordability Agreement (for-sale)

Owner Qualifications:

Local Work Requirement

- Resident: 30+ hours/wk annual average for business physically located in Routt County.
- Retired: worked for business physically located in Routt County for 5+ consecutive years.
- Partially retired: work for business physically located in RC for 15+ hours/wk and used to work for business physically located in RC for 30+ hours/wk for 7+ consecutive years.
- Disabled: Unable to work due to disability; worked for business physically located in RC for 30+ hours/wk for 5 consecutive years prior to disability.
- Self-employed: 30+ hours/wk for business located within and serving RC + requires physical presence within RC to furnish the service.

Maintaining Affordability —

DRAFT Community Affordability Agreement (for-sale)

Owner Qualifications (continued)

Income Limits (AMI)

- Household combined income does not exceed Area Median Income designated to Unit.
- Likely 60% - 250% AMI.

Sole Residency Requirement

- Unit must be occupied by Owner.
- Owner cannot own other developed residential property in Colorado.

No asset test and no debt-to-income ratio test

- Promotes simplicity.
- Promotes accessibility to program.

Short Term Rentals Prohibition

- Long-term rental of bedrooms OK if Owner continues to reside in Unit and uses YVHA-approved Lease Agreement.

Maintaining Affordability —

DRAFT Community Affordability Agreement (for-sale)

Determining initial sale price

- Formula utilizing Area Median Income.

Maximum Resale Price Equation

- Original purchase price + 2% annual appreciation (non-compounding) + Qualified Capital Improvements OR
- Original purchase price + 50% average annual increase in AMI annualized over ownership period + Qualified Capital Improvements.

YVHA as Listing Broker

- YVHA may use lottery system.
- Total commission of 2% per transaction (compared to traditional 6%).

Foreclosure

- YVHA option to buy Unit to retain Community Affordability Agreement.
- If YVHA does not exercise its option, Unit is released from Community Affordability Agreement restrictions.

Maintaining Affordability —

DRAFT Use Covenant (rental)

- Requires “Project Owner” to construct income and residency-restricted rental housing.
- Restriction transferred with title.
- **Key provisions:**
 - Units tied to Area Median Income (30% - 200% AMI).
 - Annual **rent increases** restricted to no more than 50% of increased published in HUD AMI tables or 2% of existing rent.

Other follow-up— Neighborhood A and AMIs served at Brown Ranch

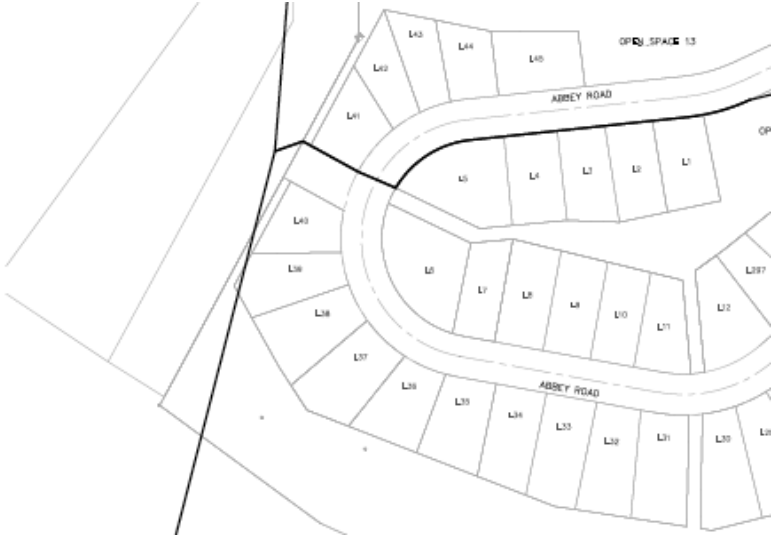
Brown Ranch total housing mix by AMI (ownership & rental)

	TOTAL (2026-2040)	SHARE (2026-2040)
OWNER DEMAND		
Less than 60% AMI	0	0%
60%-80% AMI	157	16%
80%-120% AMI	295	31%
120%+ AMI	508	53%
CUMULATIVE DEMAND	960	100%
RENTER DEMAND		
Less than 60% AMI	507	39%
60%-80% AMI	209	16%
80%-120% AMI	275	21%
120%+ AMI	312	24%
CUMULATIVE DEMAND	1,303	100%

Neighborhood A detail



Other follow-up — Exhibit G to Annexation Agreement



4.8 acres